



**Subject: Notification of California Information Reporting Requirements  
for Check Cashier Businesses**

New information reporting requirements for check cashier businesses operating in California went into effect on January 1, 2006. Assembly Bill 139, enacted on July 19, 2005, amended Civil Code Section 1789.30 and added Revenue and Taxation Code Section 18631.7 to the law.

Check cashers who cash checks in the course of their trade or business are required to file an information return with the Franchise Tax Board for either:

- Checks totaling more than ten thousand dollars (\$10,000) in one transaction.
- Checks totaling more than ten thousand dollars (\$10,000) in two or more transactions for the same person within the calendar year.

Check cashers must provide the following information about affected transactions:

- The name, address, taxpayer identification number, and any other identifying information of the person presenting the check that the Franchise Tax Board deems necessary.
- The amounts and dates of each transaction.

**Check cashers**

"Check cashier" means a person or entity that for compensation engages, in whole or in part, in the business of cashing checks, warrants, drafts, money orders, or other commercial paper serving the same purpose (Civil Code Section 1789.31).

**Checks**

For information reporting purposes, "checks" includes warrants, drafts, money orders, and other commercial paper serving the same purpose (Revenue and Taxation Code Section 18631.7).

**Who is not considered a check cashier?**

The check cashier law does not apply to state and federally chartered banks, savings associations, credit unions, and industrial loan companies. "Check cashier" also does not include a retail seller engaged primarily in the business of selling consumer goods, including consumables, to retail buyers that cashes checks or issues money orders for a minimum flat fee not exceeding two dollars (\$2) as a service to its customers that is incidental to its main purpose or business (Civil Code Section 1789.31(a)).

**Due date**

The filing period for reporting on transactions occurring in calendar year 2006 is January 1, 2007 through April 2, 2007.

**How to file information returns**

You can submit your information returns on CD-ROM or paper. The forms, record layout, and media specifications will be available for downloading from our Website at [www.ftb.ca.gov](http://www.ftb.ca.gov), beginning April 21, 2006. You can also call our Information Reporting Helpdesk and we will send filing resources to you.

**Businesses with multiple locations**

Individuals, partnerships, or corporations that operate more than one check casher location should aggregate the data from all locations and submit a single information return through their corporate headquarters.

**Noncompliance**

Persons who fail to file returns as required by Revenue and Taxation Code Section 18631.7 or who fail to include all of the required information on their returns, are subject to penalties specified in the Revenue and Taxation Code. If you are unable to provide information about a reportable transaction occurring during the first half of the first reporting year (January 1 through June 30, 2006), you should send us a letter explaining the reason for the inability to comply. Send your letter before April 2, 2007.

**Where to go for help**

We know that you will have questions about this new law. We want to administer this new law in the least burdensome manner possible. Beginning April 21, 2006, our Website will have much more check casher information, including detailed filing procedures and guidelines, frequently asked questions, and pertinent laws. Go to [www.ftb.ca.gov](http://www.ftb.ca.gov), keyword: "check casher."

If you prefer to get information by phone, you can call our Information Reporting Helpdesk at (916) 845-6304. We are available Monday through Friday except for official State holidays.

Write to us at:

Check Casher Information Reporting MS A-181  
Franchise Tax Board  
PO Box 1468  
Sacramento CA 95812-1468

Email address:

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